

## **Blue Action Fund Frankfurt am Main/Germany**

Annual financial statements for the financial year  
from 1 January to 31 December 2020

### **TRANSLATION**

– German version prevails –

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Blue Action Fund, Frankfurt am Main/Germany  
Balance sheet as at 31 December 2020

Assets	31 Dec. 2020		31 Dec. 2019		Equity and liabilities	31 Dec. 2020		31 Dec. 2019	
	EUR	EUR	EUR	EUR		EUR	EUR	EUR	EUR
<b>A. Fixed assets</b>					<b>A. Equity</b>				
<b>I. Property, plant and equipment</b>					<b>I. Foundation capital</b>				
Operating and office equipment	5,312.00	3,809.00			1. Initial endowment	2,000,000.00		2,000,000.00	
					2. Spendable capital	<u>2,095,975.10</u>		<u>2,395,975.10</u>	
							<b>4,095,975.10</b>		<b>4,395,975.10</b>
<b>II. Financial assets</b>					<b>II. Reserves</b>				
Investment securities	<u>57,247,863.32</u>	<u>33,684,484.81</u>			1. Capital reserves	83,034,261.43		72,685,736.33	
	<b><u>57,253,175.32</u></b>	<b><u>33,688,293.81</u></b>			2. Earnings reserves	<u>9,718,945.81</u>		<u>6,406,917.80</u>	
							<b>92,753,207.24</b>		<b>79,092,654.13</b>
<b>B. Current assets</b>					<b>III. Funds carried forward</b>		<b>0.00</b>		<b>0.00</b>
<b>I. Other assets</b>	<b>270,544.84</b>	<b>179,568.83</b>					<b><u>96,849,182.34</u></b>		<b><u>83,488,629.23</u></b>
<b>II. Bank balances</b>	<b><u>41,933,504.83</u></b>	<b><u>53,784,348.45</u></b>			<b>B. Provisions</b>				
	<b><u>42,204,049.67</u></b>	<b><u>53,963,917.28</u></b>			Other provisions		<b><u>151,863.53</u></b>		<b><u>139,411.49</u></b>
					<b>C. Liabilities</b>				
					1. Liabilities from conditionally repayable donations		2,437,499.78		4,006,827.23
					2. Trade payables		2,752.47		2,886.21
					3. Other liabilities		<u>15,926.87</u>		<u>14,456.93</u>
							<b><u>2,456,179.12</u></b>		<b><u>4,024,170.37</u></b>
	<b><u>99,457,224.99</u></b>	<b><u>87,652,211.09</u></b>					<b><u>99,457,224.99</u></b>		<b><u>87,652,211.09</u></b>

Blue Action Fund, Frankfurt am Main/Germany  
Statement of profit and loss for the financial year from 1 January to 31 December 2020

	2020 EUR	2020 EUR	2019 EUR	2019 EUR
<b>1. Net investment income and other income</b>				
a) Investment income				
aa) Dividends	367,177.13		288,809.16	
ab) Interest and similar income	401,463.01		259,095.93	
ac) Fund distributions	66,705.30		65,246.25	
ad) Realised capital gains	0.00		1,197,593.23	
ae) Exchange gains	102.90		2,399.51	
		835,448.34		1,813,144.08
b) Expenses from realised asset reclassifications		-262,135.80		0.00
c) Expenses for asset investments		-515,095.44		-357,290.35
d) Expenses from currency translation		-19,416.40		-16,849.77
<b>Net investment income</b>		<b>38,800.70</b>		<b>1,439,003.96</b>
e) Grants, subsidies and other income		6,986,502.86		993,172.77
<b>Net income</b>		<b>7,025,303.56</b>		<b>2,432,176.73</b>
<b>2. Programme grants and projects and other expenses</b>				
<b>Direct project support</b>		<b>-4,921,460.10</b>		<b>-4,489,018.27</b>
<b>Programme development and management</b>		<b>-419,381.52</b>		<b>-220,621.32</b>
<b>Administrative and other expenses</b>				
a) Administrative expenses	-311,917.71		-260,541.00	
b) Fundraising and communications	-11,991.12		-49,155.14	
		<b>-323,908.83</b>		<b>-309,696.14</b>
<b>Total project and other expenses</b>		<b>-5,664,750.45</b>		<b>-5,019,335.73</b>
<b>3. Profit/loss for the year</b>		<b>1,360,553.11</b>		<b>-2,587,159.00</b>
<b>4. Funds carried forward from the previous year</b>		<b>0.00</b>		<b>258,119.79</b>
<b>5. Withdrawals from spendable capital</b>		<b>300,000.00</b>		<b>154,024.90</b>
<b>6. Transfers from reserves</b>				
a) Transfers from capital reserves	1,651,474.90		1,468,488.27	
b) Transfers from earnings reserves	2,127,348.10		2,145,530.00	
		<b>3,778,823.00</b>		<b>3,614,018.27</b>
<b>7. Transfers to earnings reserves</b>		<b>-5,439,376.11</b>		<b>-1,439,003.96</b>
<b>8. Funds carried forward</b>		<b>0.00</b>		<b>0.00</b>

# Blue Action Fund, Frankfurt am Main/Germany

## Notes to the financial statements for the financial year 2020

### General information and explanations on the annual financial statements

Blue Action Fund was established as foundation under civil law under the name Blue Action Fund with foundation business dated 1 December 2016. The recognition by the district president took place on 7 December 2016. The Foundation is registered within the foundation register of the Darmstadt/Germany district.

The financial year principally corresponds to the calendar year. The annual financial statements as of 31 December 2020 were prepared in accordance with the requirements under German commercial law as well as in compliance with the supplementary provisions of the charter. The Foundation generally complied with the requirements of the German Commercial Code (HGB) applicable to small business corporations (Sec. 267 (1) HGB).

As regards the classification of the balance sheet and the statement of profit and loss, the particularities that arise from the activity of the Foundation were taken into account. The statement of profit and loss has been prepared based on the cost of sales format in accordance with Sec. 275 (3) HGB, taking into account the particularities under foundation law.

### Recognition and measurement policies

The accounting and valuation principles applied unchanged when compared to the prior year.

Property, plant and equipment and long-term financial assets are measured at acquisition cost in accordance with Sec. 255 (1) Code. Wear and tear of property, plant and equipment is taken into account through depreciation, measured on the basis of the useful lives accepted under tax principles using the straight-line method. Long-term financial assets are written down to the lower fair value in case of lasting permanent impairment. The Foundation does not exercise the option in case of a presumably temporary impairment in value.

Other assets are measured at the lower of acquisition cost and the fair value on balance sheet date.

Bank balances are recognised at nominal value.

Other provisions cover all risks and contingent liabilities identifiable as of the balance sheet date. They are recognised at settlement amount based on sound business judgement.

Liabilities are carried at settlement amount.

Transactions denominated in foreign currencies are generally recorded at the rate in effect on the date of transaction. Receivables and liabilities denominated in foreign currencies are translated at the rate in effect on the day of origin. Foreign currency items are generally translated as of the balance sheet date in accordance with the provisions under Sec. 256a Code at the middle spot exchange rate in effect on balance sheet date.

## Notes to the balance sheet

### Fixed assets

Classification of and movements in fixed assets are given in the attached statement of movements in fixed assets.

### Financial assets

As regards the security portfolio making part of the financial assets with a book value of EUR 57,247,863.32 as of the end of the reporting year, the following securities are disclosed at fair value (market rates as of balance sheet date):

	Nominal value/ number	Book value	Fair value
	EUR	EUR	EUR
<b>Bonds</b>			
Aroundtown SA 1.5% 24	€ 900,000.00	943,273.00	939,042.00
BNG Bank N.V. 2.25% 23	€ 200,000.00	221,782.00	214,000.00
CNP Assurances S.A. 2.75% 29	€ 300,000.00	344,844.95	344,250.00
Covestro AG 1.75% 24	€ 500,000.00	532,875.88	530,970.00
Covivio S.A.	€ 500,000.00	532,091.89	525,395.00
Deutsche Pfandbriefbank 0.75% 23	€ 300,000.00	305,946.00	305,130.00
European Investment Bank 3.25% 24	€ 271,312.936	288,298.00	266,873.12
Eutelsat S.A.	€ 400,000.00	430,479.90	427,880.00
Grenke Finance PLC 1.625% 24	€ 300,000.00	316,197.00	285,000.00
Hammerson PLC 2% 22	€ 450,000.00	456,462.50	443,497.50
Infineon Technologies AG	€ 500,000.00	520,089.00	519,945.00
Kroatien 3% 25	€ 300,000.00	340,482.00	337,710.00
Merlin Properties SOCIMI S.A. 2.225% 23	€ 250,000.00	263,750.00	261,060.00
Mitsubishi UFJ Fin. Grp. 0.68% 23	€ 400,000.00	407,730.00	407,300.00
Portugal OBR 2.2% 22	€ 250,000.00	268,690.25	263,262.50
Portugal OBR.V. 5.65% 24	€ 350,000.00	445,043.00	418,425.00
PROSIEBENSAT.1 2.625% 21	€ 300,000.00	312,567.00	299,769.00
Proximus S.A. 1.875% 25	€ 300,000.00	329,997.00	327,885.00
Rumänien MTN 3.625% 24	€ 400,000.00	453,252.50	447,720.00
SoftBank Group	€ 500,000.00	524,419.00	516,140.00
Terna Elettrica	€ 300,000.00	306,084.30	304,554.00
Thermo Fisher Scientific 2.15% 22	€ 250,000.00	267,172.50	257,537.50
Unibail-Rodamco 1% 25	€ 500,000.00	522,291.00	510,600.00

Uniball-Rodamco-Westfield SE 1.125% 25	€ 300,000.00	313,045.00	309,525.00
Vonovia Finance 2.25% 23	€ 300,000.00	324,945.00	321,774.00
Wienerberger AG EO-Schuldv. 2% 24	€ 370,000.00	394,558.17	385,355.00
		<b>10,366,366.84</b>	<b>10,170,599.62</b>
<b>Shares</b>			
Akamai Technologies Inc.	3,200	294,655.58	272,548.22
American Financial Group Inc.	1,355	128,569.39	96,350.90
Amundi S.A. Actions au Porteur EO	5,885	405,525.84	400,180.00
Ascendas Real Estate Inv.	116,900	229,828.49	216,388.29
Assa-Abloy AB B	13,150	265,375.52	264,780.90
Astellas Pharma Inc.	7,200	108,138.22	90,625.39
Becton, Dickinson	2,000	465,846.97	403,900.00
Best Buy Co.Inc.	1,750	145,225.58	144,392.45
Boston Scientific Corp.	10,500	379,367.30	303,796.70
Central Japan Railway Co.	650	108,191.45	74,885.50
Coca-Cola European Partn.	11,000	504,133.03	432,300.00
Elisa Oyj A	2,775	132,214.28	124,514.25
Fidelity Natl Inform.Svcs Inc.	1,970	243,988.94	223,711.32
Galencia AG	2,450	135,963.09	133,103.13
Home Depot Inc.	845	191,345.91	182,424.27
Icade S.A. Actions au Porteur	4,700	374,517.13	298,215.00
Iqvia Holdings Inc	1,370	199,844.44	197,934.73
JCDecaux S.A.	14,900	385,481.51	273,713.00
Juniper Networks	6,050	119,959.29	109,310.65
Kon. KPN N.V.	31,500	89,654.26	78,970.50
Kone Corp.(New)	5,000	359,664.09	334,600.00
Münchener Rückvers.-Ges. AG	2165	533,610.33	525,662.00
Orpea Actions Port	1,290	142,831.32	138,739.50
Procredit Holding AG	25,250	287,969.00	188,112.50
Red Electrica Corporacion	22,500	400,022.47	377,775.00
Roche Holding AG	800	235,404.38	226,957.97
S'pore telecommunications Ltd.	44,000	87,917.75	62,775.97
Schindler Holding AG	600	137,577.56	131,823.20
Sopra Steria Group S.A.	1,750	237,748.88	232,400.00
Swire Properties Lfd.	37,800	107,352.11	90,493.29
Swiss Re AG	1,400	132,638.69	107,436.46
Telefonica Deutschland Holding	150,000	385,099.04	338,250.00
Tiffany & Co	1,100	129,957.17	117,591.76
Trane Technologies PLC	2,370	282,752.79	279,357.94
Uniball-Rodamco-Westerfield	1,070	127,795.25	69,550.00
Verisign Inc.	760	136,581.75	132,676.81
VMware Inc. Regist.Shares	3,000	421,568.76	338,580.00

		9,054,317.56	8,014,827.60
<hr/>			
<b>Other shares</b>			
Generation IM Sustainable Solutions Fund III (B)		801,329.72	742,464.98
<hr/>			
		<b>20,222,014.12</b>	<b>18,927,892.20</b>

As of 31 December 2020, no write-downs to the lower market rates were made for these long-term financial assets, since the impairment is not expected to be of permanent nature. This assumption is justified by the fact that these market values showed only short-term and low fluctuations in the past.

#### **Other assets**

The other assets include a receivable of EUR 9,978.29 from Nature Trust Alliance GbR, a company under civil law, whose shareholders are Caucasus Nature Fund (CNF) next to Prespa Ohrid Nature Fund (PONT), Blue Action Fund and Internationaler Naturerbe Fonds - Legacy Landscapes Fund (LLF).

The remaining other assets relate to interest claims, a dividend claim as well as a rent deposit. Except for the rent deposit of EUR 2,500.00, all other assets are unchanged due within one year.

#### **Bank balances in foreign currencies**

As of the balance sheet date, the Foundation discloses bank balances denominated in foreign currencies of USD 102,158.15 (EUR 83,301.10), JPY 657,431.00 (EUR 5,196.41), CHF 15,427.20 (EUR 14,255.11) and GBP 8,638.79 (EUR 9,615.77).

#### **Foundation capital**

The former initial endowment remained unchanged as of the balance sheet date. According to the charter, the spendable capital was used in a minimum amount of 5% to 10% of the original amount of EUR 3,000,000.00 and thus in an amount of EUR 300,000.00 in the financial year.

#### **Capital reserves**

The capital reserves result from funding capacity reserves in accordance with Sec. 62 (3) no. 2 German Tax Code (AO). Via the KfW Development Bank, Frankfurt am Main/Germany, the Federal Ministry for Economic Cooperation and Development (BMZ), Berlin/Germany, made a further donation of EUR 12,000,000.00 to the funding capacity reserve in the financial year. An amount of EUR 1,651,474.90 was withdrawn from the capital reserve.

## Earnings reserves

The earnings reserves can be analysed as follows:

	31 Dec. 2020	31 Dec. 2019
	EUR	EUR
Free reserve pursuant to Sec. 62 (1) no. 3 AO	806,754.39	281,901.90
Savings reserve pursuant to Sec. 62 (4) AO	1,442,545.90	1,442,545.90
Project reserve pursuant to Sec. 62 (1) no. 1 AO	7,469,645.52	4,682,470.00
<b>Total</b>	<b>9,718,945.81</b>	<b>6,406,917.80</b>

An amount of EUR 524,852.49 was allocated to the free reserve (Sec. 62 (1) no. 3 German Tax Code (AO)) in the reporting year.

Of the grant received from the Swedish Ministry for Foreign Affairs (SE MFA) in the financial year (EUR 5,400,575.41), EUR 4,914,523.62 was allocated to the project reserve (Sec. 62 (1) no. 1 AO) for payment obligations for two funding projects. The project reserves set up in 2018 for payment obligations for three funding projects (a total of EUR 6,828,000.00) were used in the amount of EUR 2,127,348.10 in the financial year.

## Provisions

The other provisions include outstanding invoices for investment advice and asset management services received in the reporting year, for deposit fees, accounting services, costs for the annual financial statements as well as provisions for not yet taken vacation of the employees.

## Liabilities

Liabilities from conditionally repayable donations result from two donations made by Agence Française de Développement (AFD) of EUR 2,500,000.00 in 2018 and EUR 2,500,000.00 in 2019, which are linked to a concrete, individually agreed condition and/or an individually agreed provision as regards their use, so that they must be used for the specific purpose. In case of non-compliance with this condition/provision, Agence Française de Développement may reclaim the donations. An amount of EUR 1,569,327.45 was used in accordance with the provisions and the liability was reduced by this amount.

The other liabilities relate to wage tax liabilities of EUR 15,926.87 (prior year: EUR 8,696.44).

The residual terms of liabilities are as follows:

	Total amount	Residual term of less than 1 year	Residual term of 1 to 5 years	Residual term of more than 5 years
	EUR	EUR	EUR	EUR
Liabilities from Contingently Repayable Donations	2,437,499.78		2,437,499.78	-
	<i>prior year:</i>	-	<i>prior year:</i>	
	4,006,827.23		4,006,827.23	
Trade payables	2,752.47	2,752.47		-
	<i>prior year:</i>	<i>prior year:</i>	-	
	2,886.21	2,886.21		
Other liabilities	15,926.87	15,926.87		-
	<i>prior year:</i>	<i>prior year:</i>	-	
	14,456.93	14,456.93		
<b>Total</b>	<b>2,456,179.12</b>	<b>18,679.34</b>	<b>2,437,499.78</b>	<b>-</b>
	<i>prior year:</i>	<i>prior year:</i>	<i>prior year:</i>	
	<b>4,024,170.37</b>	<b>17,343.14</b>	<b>4,006,827.23</b>	

## Notes to the statement of profit and loss

The dividends result from long-term securities.

Interest and similar income relate to bonds disclosed under investment securities, time deposit investments, the sale of subscription rights and two current accounts.

Distributions from funds result from investment fund shares disclosed under long-term securities.

The expenses for the asset investment result from fees paid for investment consultancy, from deposit fees, custody fees, foreign withholding taxes and from administration expenses of Nature Trust Alliance GbR that relate to the asset investment.

Grants, subsidies and other income include a grant from the Swedish Ministry for Foreign Affairs (SE MFA) of EUR 5,400,575.41 as well as income from the use of conditionally repayable donations. The corresponding expense was recognised in the same amount under expenses for funding measures. Income from the reimbursement of project costs is also included.

The expenses for programme grants and projects relate to direct costs for grants to non-governmental organisations.

The expenses for programme development and management relate to staff and travel costs as well as to costs for procured external services.

The administrative expenses comprise personnel expenses, rent and other office expenses incurred by Nature Trust Alliance GbR, audit and external accounting costs, employee costs, consultancy costs, IT services, rental expenses, insurances and sundry operating expenses.

The item fundraising and communications includes personnel expenses, expenses for the preparation of documents for public relations work and sundry fundraising expenses.

## Other disclosures

The liabilities of Nature Trust Alliance GbR, Frankfurt am Main/Germany, in which the Foundation is the personally liable shareholder, amount to EUR 107,691.02 as of the balance sheet date.

The commitments for future programme grants entered into so far amount to EUR 18,548,120.00 as of the balance sheet date.

### Use of the donated funds

The funds endowed to the Foundation (spendable capital, capital reserves and received donations and grants) are fully or proportionately used for certain projects and/or expense types and have developed as follows (amounts rounded in EUR):

#### a) Programme costs

Grant programme	Original grant	Balance as of 31 December 2019	Use in the year 2020	Total use since granting	Balance as of 31 Dec. 2020
<b>BMZ financing phases 1&amp;2</b>	19,000,000	17,054,225	1,060,000	3,005,775	15,994,225
<b>BMZ financing phase 3</b>	18,400,000	17,931,512	150,000	618,488	17,781,512
<b>BMZ financing phase 4</b>	10,212,000	10,212,000	112,512	112,512	10,099,488
<b>BMZ financing EbA-Program</b>	23,000,000	23,000,000	80,000	80,000	22,920,000
<b>BMZ financing phase 5</b>	11,040,000	-	-	-	11,040,000
<b>Total BMZ</b>	81,652,000	68,197,736	1,402,512	3,816,776	77,835,224
<b>SE MFA Financing 1</b>	4,540,595	2,009,807	2,009,808	4,540,596	-
<b>SE MFA Financing 2</b>	2,466,641	2,466,642	-	-	2,466,642
<b>SE MFA Financing 3</b>	4,914,523	-	-	-	4,914,524
<b>Total SE MFA</b>	11,921,761	4,476,449	2,009,808	4,540,596	7,381,166
<b>AFD financing 1</b>	2,187,500	1,312,500	875,000	1,750,000	437,500
<b>AFD financing 2</b>	2,187,500	2,187,500	500,000	500,000	1,687,500
<b>Total AFD</b>	4,375,000	3,500,000	1,375,000	2,250,000	2,125,000
<b>Total programme cost</b>	97,948,761	76,174,185	4,787,320	10,607,371	87,341,390

## b) Operating expenses

Expenses for programme development and monitoring as well as administrative and other expenses are referred to as “operating expenses” from the perspective of the donors and are covered by transfers from spendable capital of EUR 300,000.00 and up to 12.5% of the contributions of the Swedish Ministry of Foreign Affairs and the Agence Française de Développement as well as up to 8% of the contributions of BMZ from financing phases 3, 4 and 5 as well as the financing for the EbA program.

Grant operating expenses	Original grant	Balance as of 31 December 2019	Use in the year 2020	Use since granting	Balance as of 31 Dec. 2020
BMZ spendable capital	3,000,000	2,395,975	300,000	904,025	2,095,975
BMZ financing phases 3 - 5, EbA	5,448,000	4,488,000	248,963	248,963	5,199,037
<b>Total BMZ</b>	<b>8,448,000</b>	<b>6,883,975</b>	<b>548,963</b>	<b>1,152,988</b>	<b>7,295,012</b>
SE MFA Financings 1 - 3	1,487,085	487,923	117,540	630,650	856,436
AFD financing 1 & 2	625,000	506,827	194,327	312,500	312,500
<b>Total operating expenses</b>	<b>10,560,086</b>	<b>7,878,725</b>	<b>860,830</b>	<b>2,096,138</b>	<b>8,463,945</b>

Among other matters, the supervisory board of Foundation Blue Action Fund resolved that programme expenses that do not take the form of direct payments, e.g. expenses for surveys and research activities and knowledge exchange and information of decision takers, shall currently be financed with the funds for covering operating expenses.

### Other financial commitments

As of the reporting date, there are (as yet uncalled) payment obligations for direct investments in the area of asset investment amounting to kEUR 1,573.

### Management board

Markus Knigge, Executive Director of Management Board, Berlin/Germany

Mr David Fielding Morrison, conservationist; executive director and member of the supervisory board of nature conservation trust funds and public enterprises; Paris/France

Judith Weigand, Programme Manager, Berlin (as from 29 April 2021)

## **Supervisory board**

Ms Ingrid-Gabriela Hoven, Chair of Supervisory Board, BMZ, Head of Directorate Global Issues, Bonn/Germany (until 13 July 2020)

Dr Heike Henn, Chairwoman, Director for Climate Policy, Energy, Urban Development and Environment (*ad interim*) and Commissioner for climate policy and climate financing, BMZ, Bonn/Germany (as from 13 July 2020)

Mr Stefan Opitz, Deputy Chair of Supervisory Board, KfW, Member of the Management Committee KfW Development Bank, Frankfurt am Main/Germany

Ms Helen Ågren, Swedish Ministry of Foreign Affairs, Ambassador for the Ocean, Stockholm/Sweden

The members of the supervisory board serve in a voluntary capacity.

## **Number of employees**

In addition to the executive director, the Foundation had four employees in the annual average of the financial year 2020.

Frankfurt am Main/Germany, 14 June 2021

Blue Action Fund

The Management Board

Blue Action Fund, Frankfurt am Main/Germany  
Movements in fixed assets in the financial year 2020

	Acquisition cost				Accumulated amortisation/depreciation/write-downs				Book value	Book value
	1 Jan. 2020 EUR	Additions EUR	Disposals EUR	31 Dec. 2020 EUR	1 Jan. 2020 EUR	Additions EUR	Disposals EUR	31 Dec. 2020 EUR	31 Dec. 2020 EUR	31 Dec. 2019 EUR
<b>A. Fixed assets</b>										
<b>I. Property, plant and equipment</b>										
Operating and office equipment	10,630.67	5,551.84	0.00	16,182.51	6,821.67	4,048.84	0.00	10,870.51	5,312.00	3,809.00
<b>II. Financial assets</b>										
Investment securities	33,684,484.81	37,692,275.50	14,128,896.99	57,247,863.32	0.00	0.00	0.00	0.00	57,247,863.32	33,684,484.81
<b>Total fixed assets</b>	<b>33,695,115.48</b>	<b>37,697,827.34</b>	<b>14,128,896.99</b>	<b>57,264,045.83</b>	<b>6,821.67</b>	<b>4,048.84</b>	<b>0.00</b>	<b>10,870.51</b>	<b>57,253,175.32</b>	<b>33,688,293.81</b>